UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

S & L VITAMINS, INC., Plaintiff, - vs. – AUSTRALIAN GOLD, INC., Defendant.	CIVIL ACTION NO. 05-CV-1217 (JS) (MLO)
AUSTRALIAN GOLD, INC., Third Party Plaintiff, - vs. – LARRY SAGARIN AND JOHN DOES 1-10, Third Party Defendants.	**AFFIRMATION OF LARRY SAGARIN**

LARRY SAGARIN, under penalty of perjury, testifies and says as follows:

1. I am a principal of S&L Vitamins, Inc., the plaintiff and counterclaim defendant. I am also a third party defendant in this case. I make this affidavit based on personal knowledge.

2. S&L Vitamins has been selling Australian Gold products on the internet since 2003, and we have sold hundreds of thousands of dollars' worth of these products.

3. S&L Vitamins purchases Australian Gold products only from tanning salons.

4. We have never purchased an Australian Gold product from an Australian Gold distributor.

5. All the Australian Gold products we purchase are re-sold "as is," exactly as we receive them from the salons. We do not alter them or the packages they come in, in any way.

6. Until a blank Australian Gold distributor contract was provided to us as part of this dispute with Australian Gold, we had never seen a copy of it and were unaware of any

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specific provisions of the contract.

7. We did not, and still do not, know the identity of any distributor who has signed an Australian Gold distributor contract.

8. We had never seen a copy of an Australian Gold Premier Salon Agreement contract before Australian Gold provided it as part of discovery in this case, and we were unaware of any specific provisions of the contract.

9. We never heard of the concept of Australian Gold Premier Salons prior to this litigation.

10. Other than Yucatan, we do not know the identity of anybody who has signed a Premier Salon Agreement contract with Australian Gold.

11. We do not know about any contracts that any other salon we do business with may have entered into.

12. We do not control, operate, manage, represent, or have an ownership interest in any tanning salon.

13. We do not have a contract with any of the salons that supply us with Australian Gold products. All salons that supply us with products are free to stop doing business with us at any time.

14. Our only relationship with these salons is as a customer. We ask them if they can supply us with a set of Products, and if they can, we negotiate a payment.

15. When we purchase products from salons, we pay the salons for the products directly, at the price we agreed upon; we never pay the distributors or have any dealings of any sort with the distributors. Nor do we have any say in determining where the salons get their supplies from.

16. We have never misrepresented our identity or our intentions to the salons from whom we purchased Australian Gold Products.

17. We have never used any corporate or trade name other than Body Source Online, Body Source, S&L Vitamins, Inc., Source Pharmaceuticals Inc., thesupplenet.com, or drillsandtaps.com.

18. We have never held ourselves out to any customer, salon, distributor, or anyone else as being affiliated or associated with Australian Gold, or an authorized dealer of Australian Gold Products.

19. No customer has ever asked us whether we were affiliated with, or authorized by, Australian Gold.

20. No customer has ever expressed confusion to us as to whether we were affiliated with, or authorized by, Australian Gold.

21. We placed an explicit disclaimer on our website stating that we are not affiliated with or authorized by any tanning lotion manufacturers to sell their products.

22. We have never copied any photographs of Australian Gold Products from Australian Gold's website.

23. All photographs of Australian Gold Products on our website were taken by a photographer engaged by us for that purpose.

24. We placed the photographs we had taken of Australian Gold Products on our website in late 2003, when we began selling the Products on our website.

25. We arranged to have our website's name placed on the photographs solely to prevent other websites that compete with us from stealing the photographs from our site and using them without our knowledge or permission.

26. We have only used Australian Gold product names in our online advertising to refer to Australian Gold products. We have never used the name of Australian Gold products to sell any product other than those manufactured by Australian Gold.

I declare under penalty of perjury that the foregoing is true and accurate to the best of my knowledge, information and belief.

Dated: ~~Lindenhurst~~ New York
~~November~~ 8, 2006
December

By: [signature]
LARRY SAGARIN